



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

April 14, 2009

Lulu Shiozaki, Director of Human Resources
Shea Homes, Ltd.
1250 Pointe Court
Corona CA 92879

Dear Ms. Shiozaki:

RE: **FINAL MONITORING REPORT** for Shea Homes, Ltd. (Shea Homes) – ET07-0338

Date of the Visit:	04/08/09
Beginning/Ending Time:	2:00 p.m. 3:00 p.m.
Date of Last Visit:	07/30/08
Visit Location:	Via teleconference
Persons in attendance:	Lulu Shiozaki, Director, Human Resources (Shea Homes), and Carole Robinson ETP Contract Analyst.
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	04/30/07 – 04/29/09	Agreement Amount:	\$49,842
Training Start Date:	05/01/07	No. to Retain:	71
Date Training must be Completed:	01/28/09	Range of Hours:	24 - 200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	39

FINAL REPORT SUMMARY:

• HISTORY OF AGREEMENT CHANGES

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

www.etp.ca.gov
ETP (04/15/05)

The Agreement was executed on 06/01/07 and training began on 05/01/07. You reported that all training was completed on 09/26/08, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement (04/29/09).

There were two Revision Requests made to add additional class/lab training topics to the approved Curriculum. Both of these requests were processed as Modifications to the approved Agreement. The first, approved on 07/05/07, added the topics of Shea Cares under Computer Skills, and Problem Solving and Communication Skills under Continuous Improvement. The second, approved on 11/06/07 added OnSchedule (aka OnProject) under Computer Skills.

- **INTERVIEW WITH COMPANY REPRESENTATIVE**

You reported no major difficulties with the administration of the Agreement. You stated that, overall, the ETP funded training allowed the company to become more productive in a teamwork environment. Training also increased employee morale even with the cut-backs Shea Homes had to implement as a result of the nationwide economic downturn. These cut-backs included closure and consolidation of the Brea facility into the Corona location. The resulting disruption of the office reorganization and challenges faced by the company to continue to sell new homes precluded delivery of most of the training topics in the ETP approved training plan.

According to ETP records at the time of this final meeting, Shea Homes retained 16 employees (23% of planned retention). Based on ETP records, if all other terms and conditions of the agreement are met, Shea Homes will earn a total reimbursement of \$10,926 (22 percent of the encumbered amount). As of the date of this report, Shea Homes has received \$6,525 in unearned Progress payments of which, \$1,845 is earned and approved.

You stated that the company will submit its Closeout invoice by 05/28/09.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Enrolled:	109	Completed Training:	16
Dropped Following Enrollment:	93	Completed Retention:	16
No. Completed Minimum Reimbursable Hours :	16	In Retention Period:	0

SUBAGREEMENTS:

You reported that all subagreements with outside vendor relating to the delivery of training were provided during previous Monitoring Visit. The required information for training subagreements have previously been entered on the Subcontractor List, ETP 100D via ETP's on-line system.

AUDIT:

Shea Homes will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or

“review”). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

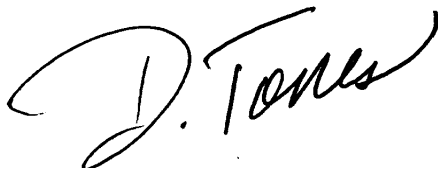
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information contained in this letter, please contact Carole Robinson at (619) 686-4971, within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Torres", written in a cursive style.

Diana Torres, Manager
San Diego Field Office

A handwritten signature in black ink, appearing to read "Carole Robinson", written in a cursive style.

Carole Robinson, Contract Analyst
San Diego Field Office

Agreement Name: Shea Homes – Retraining
Agreement Number: ET07-0338

Date: 04/14/09
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cc: Kulbir Mayall, Manager, ETP Fiscal Unit
Master File
SD Project File

Date report mailed to Contractor 04/14//09